

**DEPARTMENT OF SOCIAL AND HEALTH SERVICES
MEDICAL ASSISTANCE ADMINISTRATION
Olympia, Washington**

To: Outpatient Hospitals
Managed Care Plans

Memorandum No.: 04-47 MAA
Issued: July 1, 2004

From: Douglas Porter, Assistant Secretary
Medical Assistance Administration (MAA)

For Information Contact:
1-800-562-6188

Subject: Outpatient Hospitals: Program Updates and Fee Schedule Changes

Effective for dates of service on and after August 1, 2004, outpatient prospective payment system (OPPS) providers must bill in a completely OPPS-ready format.

Effective for dates of service on and after July 1, 2004, MAA will begin using the outpatient hospital fee schedule attached to this memorandum.

Also included in this memorandum is information concerning new data validation by MAA and an updated list of MAA-approved Sleep Center providers.

OPPS Updates

What is the timeline?

OPPS will be effective for dates of service on and after November 1, 2004. For the final stages of OPPS implementation, MAA will begin internal testing on August 1, 2004.

Which hospitals will be participating in OPPS?

All in-state and border area hospitals will be participating in OPPS, with the following exceptions:

- Cancer hospitals;
- Critical access hospitals;
- Free-standing psychiatric hospitals;
- Out-of-state hospitals. (Border-area hospitals are considered in-state hospitals. See WAC 388-550-1050);
- Pediatric hospitals;
- Peer group A hospitals;
- Rehabilitation hospitals; and
- Veterans' and military hospitals.

What do hospitals participating in OPPTS need to do differently?

For dates of service on and after August 1, 2004, claims must be submitted in an OPPTS-ready format as outlined by Centers for Medicare and Medicaid Services (CMS). For a complete description of the CMS outpatient hospital prospective payment system, including the assignment of status indicators (SIs), see 42 CFR, Chapter IV, Part 419, et al. The Code of Federal Regulations (CFR) is available from the CFR website and the Government Printing Office, Seattle office. The document is also available for public inspection at the Washington state library (a copy of the document may be obtained upon request, subject to any pertinent charge).

All OPPTS participating hospitals must bill all claims in a completely OPPTS-ready format, paying special attention to the following:

- Use of CMS acceptable procedure codes where required;
- Use of appropriate modifier;
- Use of appropriate units of service; and
- All services provided on a single date of service billed on the same claim form.

How will claims be paid between August 1, 2004 and October 31, 2004?

MAA will continue to pay providers for claims with dates of service between August 1, 2004 and October 31, 2004, the same way claims are currently being paid.

Do hospitals that are not participating in OPPTS need to bill differently?

For dates of service on and after January 1, 2005, claims must be submitted in an OPPTS-ready format as outlined by CMS.

New Data Validation

For dates of service on and after August 1, 2004, MAA will not pay for any lines of a claim that contain an invalid or noncovered revenue code or procedure code.

Maximum Allowable Fees

The Legislature did not appropriate a vendor rate increase for the 2005 state fiscal year. MAA used the following resources in determining the maximum allowable fees for the Year 2004:

- Year 2004 Medicare Physician Fee Schedule Data Base (MPFSDB) relative value units (RVUs);
- Year 2004 Washington State Medicare Laboratory Fee Schedule; and
- Current conversion factors.



Note: Due to its licensing agreement with the American Medical Association regarding the use of Current Procedural Terminology (CPT™) codes and descriptions, MAA publishes only the official brief descriptions for all codes. Please refer to your current CPT book for full descriptions.

Fee Schedule

Attached are replacement pages F.1-F.44 for MAA's Outpatient Hospital Services Billing Instructions, dated October 2000, which contain the "July 2004 Maximum Allowable Fee Schedule for Outpatient Hospitals."

New List of MAA-Approved Sleep Centers

MAA has updated its list of MAA-approved sleep centers. Attached is replacement page C.13/C.14 for MAA's Outpatient Hospital Services Billing Instructions, dated October 2000.

To obtain DSHS/HRSA provider numbered memoranda and billing instruction, go to the DSHS/HRSA website at <http://hrsa.dshs.wa.gov> (click *the Billing Instructions and Numbered Memorandum* link). These may be downloaded and printed.

Services that do not require authorization

Services performed in MAA-Approved Centers of Excellence (COE)

Sleep Studies

MAA will reimburse for sleep studies only when done in one of the following MAA-approved Centers of Excellence (COE). Sleep studies may be done only for the following ICD-9-CM diagnosis codes: **780.51, 780.53, 780.57** – Obstructive Sleep Apnea; or **347** - Narcolepsy.

MAA Approved Sleep Centers	Location
ARMC Sleep Apnea Laboratory	Auburn Regional Medical Center - Auburn, WA
Diagnostic Sleep Disorder Program Center	Children's Hospital and Medical - Seattle, WA
Eastside Sleep Disorder Clinic	Overlake Hospital Medical Center - Bellevue, WA
Highline Sleep Disorders Center	Highline Community Hospital - Seattle, WA
Holy Family Sleep Disorder Center	Holy Family Hospital - Spokane, WA
Kathryn Severyns Dement Sleep Disorders Center	St. Mary's Medical Center - Walla Walla, WA
Multi Care Sleep Disorders Center	Tacoma General Hospital/ or Mary Bridge Children's Hospital - Tacoma, WA
Providence Everett Sleep Disorder Center	Providence Everett Medical Center, Everett, Wa.
Sleep Center for Southwest Washington	Providence St. Peter - Olympia, WA
Sleep Disorders Center Legacy Good Samaritan Hospital and Medical Center	Legacy Good Samaritan Hospital and Medical Center - Portland, OR
Sleep Disorders Center of Harrison Hospital	Harrison Hospital - Bremerton, WA
Sleep Disorders Center Virginia Mason Medical Center	Virginia Mason Medical Center - Seattle, WA
Sleep Related Breathing Disorders Laboratory St Clare Hospital	St. Clare Hospital - Tacoma, WA
Sleep Studies Laboratory Mid Columbia Medical Center	Mid Columbia Medical Center - Dalles, OR
St. Joseph Regional Medical Center Sleep Lab	St. Joseph Regional Medical Center - Lewiston, ID
Swedish Sleep Medicine Institute	Providence Swedish or Swedish First Hill - Seattle, WA
The Sleep Institute of Spokane	Sacred Heart Medical Center or 104 W. 5 th Suite 400 W - Spokane, WA
University of Washington Sleep Disorders Center\Harborview Medical Center	Harborview Medical Center - Seattle, WA
Vancouver Sleep Disorders Center	Vancouver Neurology - Vancouver, WA

How does a sleep lab become a MAA Center of Excellence?

A sleep lab must send MAA verification of the following:

1. Sleep Lab Accreditation by the American Academy of Sleep Medicine;
2. Physician's Board Certification by the American Board of Sleep Medicine; and
3. At least one Registered Polysomnograph Technician certification.

Send the verification to:

**Request for Sleep Lab Center of Excellence
PO Box 45510
Olympia, WA 98504-5510**

According to the standards of the Association of Polysomnographic Technicians, there must be one Registered Polysomnograph Technician (RPSGT) in the sleep lab when studies are being performed.

When the director of the sleep lab or the facility changes, providers must send MAA copies of the accreditation for the new facility and/or certification of the new director.

Billing for sleep studies

When billing MAA for sleep studies, all of the following must be on the UB-92 claim form.

- Place the appropriate diagnosis code(s) as listed above in form locators 67-76.
- Include one of the following CPT procedure codes in form locator 44: 95805, 95807, 95808, 95810, or 95811.

Outpatient Hospital Procedure Codes and Fee Schedule

		7/1/04
		Maximum
		Allowable Fee
Procedure	Description	Facility Setting
<u>Code</u>		

STAT Charges

STAT charges are payable when a sudden, unexpected event occurs which requires immediate action, and laboratory test results are needed to manage the patient in a true emergency situation. Tests must be specifically ordered as "STAT." Limited to one STAT charge per episode, not once per test.

<i>S3600</i>	Stat Lab	\$3.35
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See pages F.2 through F.44 for Schedule of 2004 Procedure Codes and Maximum Allowable Fees for Outpatient Hospitals.

(CPT codes and descriptions are copyright 2003 American Medical Association.)

Pages F.2 through F.22 are in Excel format.